

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0234-01
Bill No.: HB 146
Subject: Health Care; Medicaid; Chiropractors
Type: Original
Date: February 15, 2011

Bill Summary: This legislation requires chiropractors to be reimbursed under MO HealthNet for providing services currently covered and within the scope of chiropractic practice.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Income and cost of unknown will net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 208.960:

Officials from the **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Social Services-MO HealthNet Division (MHD)** assume the legislation requires chiropractors to be reimbursed under MO HealthNet for providing services currently covered by MO HealthNet and within the scope of chiropractic practice. This legislation will increase utilization of currently paid procedure codes.

Studies that determined the utilization of chiropractic care in the general population were reviewed to determine the potential number of MO HealthNet participants who might receive chiropractic care if this legislation passed. It is assumed that utilization in the MO HealthNet population will be similar to the general population. The National Institutes of Health (May, 2004) found that 7.5% of adults used chiropractic care within the previous 12 months. The Southern Medical Journal (April, 2000) reported that 8.7% of adults used chiropractic care within the previous 12 months. The National Institutes of Health (2007) found that 3% of children had used chiropractic services in the previous 12 months. MHD chose to use 8% for adults and 3% for children as the estimate of the percentage of the MO HealthNet population that will use chiropractic services.

The number of MHD participants age 19 and above in FY10 was 340,541. It is estimated that 27,243 ($340,541 \times 8\%$) participants will utilize chiropractic care. There were 537,820 children less than 19 years of age. It is estimated that 16,135 ($537,820 \times 3\%$) will utilize chiropractic care. Therefore, a total of 43,378 participants are estimated to use chiropractic care.

It is assumed under this legislation chiropractors would, at a minimum, bill for manipulative treatment and certain physical therapies. The cost developed below is for manipulative treatment only and it is assumed additional unknown cost would be incurred for physical therapies. Procedure codes 98925, 98926, 98927, 98928, and 98929 are codes which are currently utilized for osteopathic manipulative treatment. An average rate for these procedure codes is \$28.93.

The number of medically necessary chiropractic visits that will be prior authorized for each participant is not known. For the purpose of the fiscal note it is assumed that a series of 8 visits per year will be authorized. It is possible that some participants will receive more visits and

ASSUMPTION (continued)

some less. The annual cost for one person will be \$231 (8 visits x \$28.93=\$231) therefore, the first full year (FY13) cost for 43,378 people will be \$10,381,049.

It is assumed there will be only a 10 month cost in FY12. Medical inflation of 3.6% was applied to FY13 and FY14. FY12 (10 mths): Unknown > \$8,350,265 Total (Unknown > \$3,065,382 GR); FY13: Unknown > \$10,381,049 Total (Unknown > \$3,810,883 GR); FY14: Unknown > \$10,754,767 Total (Unknown > \$3,948,075 GR).

Oversight notes that states can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures.

Oversight assumes, because the potential for an increase in utilization is speculative, that the MHD may or may not incur significant costs related to this proposal. Therefore, Oversight assumes, for fiscal note purposes only, an unknown fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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GENERAL REVENUE FUND

<u>Costs</u> - Department Social Services Program Costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FEDERAL FUNDS

<u>Income</u> - Department of Social Services Federal Assistance	Unknown	Unknown	Unknown
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<u>Costs</u> - Department of Social Services Program Costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2012
(10 Mo.)

FY 2013

FY 2014

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

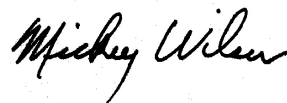
Section 208.960:

The proposed legislation requires licensed chiropractors to be reimbursed under the MO HealthNet Program for providing services currently covered and within the scope of chiropractic practice.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services



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Director
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